

Herald Tribune

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TODAY'S WEATHER FORECAST — PARIS: sunny, rain. Temp. 5-1 (47-53). Tomorrow: sunny, rain. Temp. 5-1 (47-53). LONDON: sunny, rain. Temp. 5-1 (47-53). Tomorrow: sunny, rain. Temp. 5-1 (47-53). CHANDEL: sunny, rain. Temp. 5-1 (47-53). Tomorrow: sunny, rain. Temp. 5-1 (47-53). ADDITIONAL WEATHER — PAGE 2

Austria	2.6	Lebanon	2.6
Belgium	1.4	Luxembourg	1.4
Denmark	2.5	Morocco	1.3
Eire (Inc. tax)	1.1	Netherlands	1.3
Finland	1.4	Nigeria	2.6
France	1.5	Norway	2.5
Germany	1.5	Portugal	2.5
Greece	1.5	Spain	2.5
Great Britain	1.5	Sweden	1.5
India	2.5	Switzerland	1.3
Iran	2.5	Turkey	2.5
Italy	2.5	U.S. Military (Eur.)	2.5
Israel	2.5	Yugoslavia	2.5

o. 28,295 ** PARIS, FRIDAY, JANUARY 4, 1974 Established 1887

Arias Shakes Up Cabinet in Spain, Drops Moderates

By Henry Giniger

MADRID, Jan. 3 (UPI)—Spain's new premier, Carlos Arias Navarro, produced a new cabinet today in his own image—politically conservative and strong on authority and order.

Mr. Arias, catapulted into national leadership by the bomb that killed Premier Luis Carrero Blanco two weeks ago, made sweeping changes in the cabinet that left the Spanish political world somewhat stunned.

Eliminated from power after about 15 years in positions of command and influence were persons associated with the Roman Catholic lay movement Opus Dei. So-called Opus Dei technocrats had led Spain's economic upsurge and had sought to end its economic and political isolation from the rest of Western Europe, as well as from the Communist world.

Laureano Lopez Rodo, the best-known figure in that group, was removed from the government after long years, first as minister of planning, then as foreign minister. In the latter post, he was replaced by Pedro Cortina y Mauri, the Spanish ambassador to France. It is the first time in anyone's memory here that a career diplomat had been placed in charge of Spain's foreign affairs.

The elimination of Mr. Lopez Rodo, who had in turn replaced another Opus Dei figure, Gregorio Lopez Bravo, raised the question of how strongly Spain would pursue the often-stated goal of full membership in the European Economic Community. That candidacy had been rebuffed up to now, largely on political grounds.

The Falange movement, the semi-Fascist party that furnished Generalissimo Francisco Franco one of his major political props during the civil war and in the years following it, returned in force to the government after a long period of decline during which it disintegrated. Watched closely by the government, the Falangists today are an ill-defined group, with many of the younger members taking positions of greater liberalism in political matters and more government control in economic affairs. It consequently was difficult to predict just how energetically the government would move to satisfy

3d U.K. Union Votes to Join in Slowdown

Engineers Will Await End of 3-Day Week

LONDON, Jan. 3 (UPI)—Britain's largest engineering union, representing a million workers, today voted to join coal miners and railroad locomotive engineers in work slowdowns at have crippled the nation's industry.

But the engineers' union does not plan to begin its slowdown until the government-ordered three-day work week is abandoned.

Government officials said the Minister Edward Heath's cabinet meeting this morning confirmed its determination not to bow to labor-union pay demands it considers exorbitant.

The government announced that 750,000 workers so far have been laid off as a result of the three-day week. It ordered to save dwindling fuel stocks hit by the slowdowns.

That represented virtually no change compared with yesterday's report of those laid off were in automotive and engineering plants deprived of electric power. Department of Employment spokesmen estimated that 750,000 workers had applied for unemployment pay up to noon yesterday, in addition to 450,000 unemployed before the work week was curtailed.

But the figures are deceptive, department officials said.

Tens of thousands of the 750,000 are applying for unemployment pay only for the two days a week the government's restrictions will not let them work.

Tens of thousands of others have been laid off, but have not applied for unemployment pay because they are covered by guaranteed wages.

More thousands have been refused to working part time in stores and offices kept running without electricity for the few hours of midwinter daylight.

The national executive committee of the Amalgamated Engineering Union, which represents about a third of Britain's three million engineering workers, voted 19 to 13 to ban overtime in support of a pay claim.

The engineers demanded that their present basic minimum wage (Continued on Page 2, Col. 1)

Russia Executes 2 in Juice Fraud

MOSCOW, Jan. 3 (UPI)—Two Soviet citizens who left the fruit of the fruit juice they were supposed to be manufacturing have been executed for fraud, the newspaper Babel'skiy Rabochi said.

The newspaper, copies of which reached Moscow yesterday from the southern republic of Azerbaijan, said the executed men were the director and the accountant of a juice factory.

It said they sold a mixture of water, citric acid and sugar, pocketing their 650,000-ruble (\$868,000) budget for the purchase of fruit. The men, identified as Akhmed Akhmedov and Zaman Khakimov, kept up the fraud for two years, the newspaper said.

As Republic Stages Big Roundup IRA Issues a Death Sentence On Pym, Ulster Administrator

BELFAST, Jan. 3 (UPI)—The outlawed Irish Republican Army issued a death sentence today against the British administrator of Northern Ireland, Francis Pym.

"We shall not rest until the death sentence has been carried out," an IRA statement said.

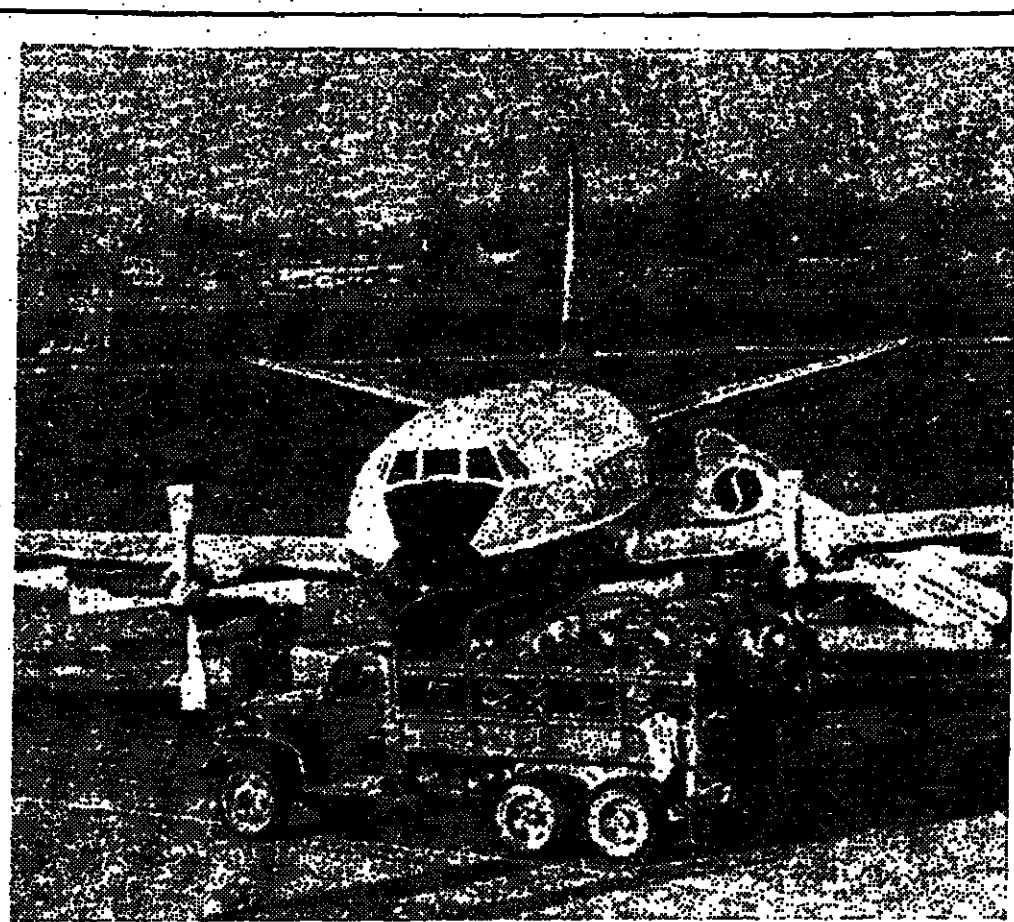
In the more than four years of the current period of violence in this British province, it was the first time that the IRA has singled out an individual for a death threat.

The announcement was sent to Irish newspapers by what was described as the headquarters of the Londonderry brigade of the militant Provisional wing of the IRA. It said the sentence was cast against Mr. Pym because he had ordered the internment of a member of the brigade.

IRA sources said that the brigade member had been arrested at his home on Christmas by British Army troops acting on an internment order signed by Mr. Pym, who took office Dec. 2.

A British Army spokesman said at no raids had been made on Pym's homes in Londonderry on Christmas and nobody was arrested in this city, Northern Ireland's second largest, on that day.

Early today, in the neighboring Irish Republic, units of the Irish



ON THE ALERT—Belgian paratroopers are driven to positions on perimeter of Brussels Airport in security precautions throughout Europe to prevent Arab terrorism.

British Fear Arrest of U.S. Woman, Arab Probe May Threaten Oil Deal

By Bernard D. Nossiter

LONDON, Jan. 3 (UPI)—A young American woman who was detained here after Scotland Yard said that her suitcase concealed a small arsenal, has become the center of an international drama involving Arab extremists and a secret oil deal which intelligence sources say that London is negotiating with Saudi Arabia.

The woman, Miss Thompson, 19, was picked up by police at London's Heathrow Airport Saturday after Scotland Yard said that she arrived from Los Angeles with five automatic pistols and 150 rounds of ammunition in a secret compartment of her suitcase.

Abdolkarim Hakoui, a 25-year-old Moroccan from the Los Angeles area, also was taken into custody when he met Miss Thompson at the airport. Two days later, the police picked up another incoming passenger from Los Angeles, 29-year-old Aida Nasreen, a Pakistani. Authorities here say that Mr. Nasreen is Miss Thompson's boyfriend.

[The Associated Press reported that all three persons were described by security sources as members of an extremist student group centered at Santa Barbara, Calif. The sources said that Mr. Hakoui was leader of the group which probably planned to attack Moroccan diplomats or property after assembling in London.]

Whether Miss Thompson will be charged with illegal possession of arms or sent back to the United States has touched off a row here at high levels of government.

Political Considerations

According to the Home Office, the minister in charge of police and immigration matters, the affair is a straightforward matter of British justice and no political considerations can affect it. A spokesman said that authorities will decide, perhaps tomorrow, whether or not there is enough evidence to bring the girl to trial.

The authorities could conclude, the spokesman said, that there is not enough evidence to show that Miss Thompson was not the innocent victim of a plot. In that case, she and her Pakistani boyfriend would simply be sent back to the United States.

Law enforcement officials here, however, scoff at that theory. They say that no one can carry

a suitcase weighed down with five automatic weapons and 150 rounds of ammunition without knowing that more than clothes were inside.

If Miss Thompson is sent home, the sources say, the decision will clearly be political. They quote Robert Carr, the home secretary, as saying in private that the "general Arab situation" makes it difficult to prosecute the girl.

Intelligence sources have now disclosed that Prime Minister Edward Heath's government is fearful of upsetting a mammoth secret deal that is being negotiated with Saudi Arabia. The arrangement would supply Britain with 600,000 barrels of Saudi oil daily—30 percent of current consumption—for three years. In return, the British would build a modern industrial base in Saudi Arabia, including capacity for an arms industry.

Negotiations for the deal began

Persian Gulf's Abu Dhabi Pilotless Sheikdom of 80,000 Is Purchasing 32 Jet Fighters

WASHINGTON, Jan. 3 (AP)—A small Persian Gulf sheikdom, which struck it rich in oil in recent years, is buying 32 advanced jet fighters from France, according to U.S. intelligence sources.

Abu Dhabi's purchase of the Mirages, at a cost of about \$90 million, makes no military sense to American officials. The tiny nation has a border dispute with Saudi Arabia, but nobody here thinks that Abu Dhabi—with a population of about 80,000—would chance a war with Saudi Arabia—population 7 million-plus.

One U.S. official said that Abu Dhabi may be "trying to demonstrate its sovereignty." But another said, "They've got the money so they want to buy some of this stuff of the out of a mail-order catalogue."

Recent intelligence reports show that Abu Dhabi has bought 18 Mirage-3 interceptors, to be delivered in two years. That purchase was made on top of an earlier one of 14 Mirage-5 ground-attack planes, due to be completed this year.

Since Abu Dhabi has no competent jet pilots and mechanics, the Mirages will be flown and maintained by members of the Pakistani Air Force for at least several years.

Abu Dhabi, meanwhile, is reported to have agreed to place its Mirage jets at the disposal of Pakistan in the event of an emergency there. That arrangement may disturb India, Pakistan's rival in South Asia.

U.S. experts said that Abu Dhabi's armed forces, numbering about 8,000 men, are led by British, Jordanian and Pakistani officers, most of them retired from their own services.

The French, who have been anxious to sell arms to rich oil-producing states, have reportedly sold 38 Mirages to Saudi Arabia.

The United States has been trying to compete with the French in arms sales to major Persian Gulf nations, but U.S. (Continued on Page 2, Col. 3)

Dow Jones Up 25.37 Points

NEW YORK, Jan. 3 (UPI)—Wall Street prices scored the seventh sharpest gain on record today when the Dow Jones industrial average surged 25.37 points.

A cut in margin requirements late yesterday, requiring investors to put up only half the purchase price in cash instead of 55 percent, and indications that President Nixon is planning to take new initiatives in the oil crisis next week, were credited with fueling today's advance. Details Page 7.

Senator Becomes Attorney General Today Saxbe: Tapes Subpoena Fishing Expedition

WASHINGTON, Jan. 3 (UPI)—Attorney General-designate William B. Saxbe said today the Senate Watergate committee's subpoena of more than 400 White House tapes and documents was a "fishing expedition" intended to keep the committee in business.

Sen. Saxbe also said in an interview he would pursue "strict, vigorous enforcement" of the anti-trust laws and would conduct an investigation of the oil companies to see if they had done anything to contribute the fuel shortage.

The Ohio Republican will be sworn in tomorrow as President Nixon's fourth attorney general. He said he planned to run the Justice Department like "a good law office" and promised to handle its affairs "with dignity, honesty and fairness."

Sen. Saxbe said the committee's subpoena "is obviously a fishing expedition. It had to come to this sooner or later."

"To keep in business, the committee has to have grist for its mill," he said. "If they can keep dredging stuff up, they'll go on forever."

He said the committee's action will "come to a point where the President has to decide whether there is any privacy in his office."

Jaworski Probe

Sen. Saxbe said he believed the President had "cooperated" with special Watergate prosecutor Leon Jaworski's investigation and renewed his pledge to honor Mr. Jaworski's independence.

"He has his operation and I have mine," Sen. Saxbe said. "I

Kissinger: To Avert Global Depression Nixon Planning Effort For a World Oil Policy

By Lou Cannon

SAN CLLEMENTE, Calif., Jan. 3 (UPI)—President Nixon will appeal to the principal oil-producing nations to band together with the world's major oil-consuming countries in an effort to avert a global depression, Secretary of State Henry A. Kissinger said today.

At a wide-ranging news conference, Mr. Kissinger said that Arab nations have a long-term interest in stabilized oil prices and supplies despite their present competitive advantages in the current energy crisis.

"Since they are part of the same world economy everyone else is, they cannot have an interest in a massive depression," Mr. Kissinger said.

At the 45-minute news conference, shortly before he returned to Washington for a meeting tomorrow with Israeli Defense Minister Moshe Dayan, Mr. Kissinger made the other points:

The Israeli elections, in which a hard-line opposition made moderate gains, will not deter the present talks on disengagement of Egyptian and Israeli troops along the Suez Canal. Mr. Kissinger said: "It has always been understood that after the Israeli elections the talks might accelerate" and he said there was a "broad consensus in Israel" for proceeding with the disengagement negotiations.

No Idea of Timetable

Despite published reports that success in the disengagement talks would lead to an end to the Arab oil boycott, Mr. Kissinger said that he had no idea of a timetable. He also declined to rule out the possibility of a counter-boycott of raw materials to the Arab nations, merely saying, "We are not planning any specific measures of this kind at this moment."

President Nixon will travel extensively in 1974, according to Mr. Kissinger, to sign two separate declarations of economic and military-political cooperation with the European states. "The President also is planning trips to the Soviet Union and to Japan."

Efforts to achieve a mutually agreeable arms agreement with the Soviet Union will not be affected by the disclosure of Soviet armories contained in the new book by Nobel Prize-winning novelist Alexander I. Solzhenitsyn, "The Gulag Archipelago." Mr. Kissinger said U.S. efforts to achieve a détente did not "indicate moral approval of the Soviet system."

Mr. Kissinger said several factors would combine to push average

10 Gallons a Customer U.S. Oil Firms, Distributors Agree on Limiting Gas Sales

WASHINGTON, Jan. 3 (AP)—Energy Office chief William E. Simon said today that oil companies and independent distributors have agreed to set a limit of 10 gallons of gasoline a customer at service stations.

Mr. Simon also predicted that gasoline prices will increase during the next month or two, to levels about 8 to 11 cents higher than in early December.

Mr. Simon told a news conference that his price estimates, increased from his estimate of about 7 cents last week, took into account a new set of gasoline price hikes to be authorized on Feb. 1.

Mr. Simon said the new increases would be determined by a variable formula, designed to give service station owners partial compensation for the reduced amounts of gasoline they can sell, as gasoline production is cut under federal regulations.

Mr. Simon already has ordered the creation of a standby gasoline rationing program and has asked the public to limit its gasoline purchases voluntarily to 10 gallons a week.

Today's announcement of agreement with the distributors marks a further tightening of gasoline controls, although still on a voluntary basis.

Mr. Simon said the major oil companies and independent distributors and retailers have agreed to encourage a policy limiting service station gasoline sales to 10 gallons a customer.

He said that the companies could enforce the limitation as company policy at the service stations it owns directly but could only urge it upon franchised service stations. The sales limit, 10 gallons at more than one service station, but as gasoline supplies dwindle, waiting lines may discourage this tactic.

Mr. Simon reported that gasoline consumption was running about 7.8 percent below the normal demand forecast for the four-week period ending Dec. 21. It was an improvement in fuel saving from the 5.7 percent reported the week earlier, but still far short of the 20 percent reduction believed necessary, he said.

Mr. Simon said several factors would combine to push average



William E. Simon

Three Israelis Killed in Syria

TEL AVIV, Jan. 3 (Reuters)—Israeli and Egyptian forces exchanged tank, artillery, mortar and small-arms fire in another day of fighting along the Suez Canal front, a military communiqué said here tonight.

There were no Israeli casualties today, the spokesman said, but yesterday eight Israeli soldiers were wounded in clashes on the Suez front and three others died when a mortar shell fell into their position on the Syrian front.

Defense Minister Moshe Dayan warned today that the continued violations were endangering the cease-fire.

He told reporters before leaving for the United States for talks with Secretary of State Henry A. Kissinger and Defense Secretary James R. Schlesinger that it appeared that the clashes were deliberate Egyptian policy.

He said that the cease-fire could not remain one-sided.

Today's incidents occurred along the front line, with action reported on both sides of the Suez Canal, from Suez city in the south up to El Qantara in the north.

Syrian Front Quiet

The Syrian front was quiet today, the military spokesman said.

Sources said that Mr. Dayan is taking to Washington a plan under which Israel would agree to withdraw from the west bank of the Suez Canal into Sinai, while leaving the Egyptians in position on the east bank.

The proposal is designed to insure Israeli security and at the same time allow the Egyptians to reopen the canal as well as rehabilitate civilian installations and towns in the region.

There is concern in Tel Aviv that, unless there is agreement at the military-level talks in Geneva on the question of separation of forces, more substantial

Israel, Egypt Exchange Fire, Dayan Sees Cease-Fire Peril

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54,800 Emigrated To Israel in 1973

JERUSALEM, Jan. 3 (UPI)—Israel received 54,800 immigrants last year, slightly fewer than the 55,800 who arrived in 1972, the Immigration Absorption Ministry has announced.

Among the new arrivals were 4,800 from North America and 4,350 from South America, according to figures compiled by the Central Bureau of Statistics in a report issued yesterday.

The report made no mention of Soviet immigrants, who numbered 34,750 according to information from Moscow this week. Israeli censorship has restricted details on arrivals from the Soviet Union since the October war.

About 1,400 immigrants came from France, 700 from Britain and 600 from South Africa, the government report added.



William B. Saxbe

age person thinks there is reason for such conjecture.

"And, as an average person, I share their view," he said.

U.S.-Sponsored Station

Radio Liberty to Broadcast Solzhenitsyn Book to Russia

By David Binder

WASHINGTON, Jan. 3 (NYT).—Broadcasts of the entire text of Alexander I. Solzhenitsyn's new book on the Soviet prison-camp system are to be beamed to the Soviet Union by the American-sponsored station Radio Liberty.

Radio Liberty, which is based in Munich, reportedly acquired the broadcast rights for the book, "The Gulag Archipelago, 1918-1956," last Friday in Paris.

"We will begin transmitting the

full text as soon as the book reaches our Munich editors, probably tomorrow," a New York spokesman for the station said yesterday in a telephone interview.

He said that the 600-page work would be broadcast in installments in Russian and 17 other languages of the Soviet Union from Radio Liberty's shortwave transmitters in Spain.

Radio Liberty's broadcasts are heavily jammed, but its officials say they are certain of reaching the bulk of their Soviet audiences. Some of their shortwave transmissions, they add, are made during periods around twilight when jamming mechanisms fail.

VOA Beams Summaries

The Voice of America, whose broadcasts to the Soviet Union have been free of jamming since last summer, began broadcasting summaries and analyses of the Solzhenitsyn book as well as press commentaries on Sunday.

Several officials at the United States Information Agency, the parent organization of the Voice of America, said that the station might hold off broadcasting the full text because of the U.S. policy of easing tensions with the Soviet Union.

"But if something happened to Solzhenitsyn, it could change the picture," a senior USIA official said.

Another official at the agency said that he personally felt it was not the function of the official U.S. station to broadcast the full text of dissident writing suppressed in the Soviet Union. "But it is our duty to broadcast American reaction to such texts," he added.

The broadcasting rights for "The Gulag Archipelago," the Radio Liberty spokesman said, were purchased from its Paris publisher, YMCA-Press, which has also published some of Mr. Solzhenitsyn's other works in Russian.

Advocates of the station's broadcast to the Soviet Union Mr. Solzhenitsyn's novels set in prison camps, "The First Circle" and "Cancer Ward," along with other Soviet dissident writings.

Radio Free Europe, which like Radio Liberty is a U.S.-financed station, also has been broadcasting the Solzhenitsyn excerpts to its Eastern European listeners.

Both Radio Liberty and Radio Free Europe have been financed by authorizations of Congress for the last three years. Previously, they were covertly subsidized by the Central Intelligence Agency.

Journalist Held As Instigator of Robbery in Paris

PARIS, Jan. 3 (Reuters).—The police today held a 39-year-old journalist of the daily Le Figaro and said he was the instigator of a 300,000-franc (\$62,800) holdup at the paper's offices Friday.

The newspaper said the journalist, André Beaupré, was a copy editor specializing in financial subjects and had a long career with several French national newspapers and magazines.

The police were tipped off about the attempt and were waiting outside the newspaper's offices. The ambush exploded into a general shoot-out on the crowded Champs-Élysées. A 73-year-old passerby was killed and a policeman seriously wounded. One gangster was wounded.

A judicial investigation has been opened.

Probe of Arabs May Jeopardize U.K. Oil Deal

(Continued from Page 1)

gan in Riyadh, the Saudi capital, on Dec. 10. The British team was led by Lord Aldington, former chairman of the Conservative party, now chairman of the London Port Authority and a personal friend of Mr. Heath. Accompanying Lord Aldington was Jock Taylor, the assistant under secretary at the Foreign Office in charge of energy matters.

The government here tried to keep the mission secret but it leaked out. It is known that Lord Aldington, who returned to London on Dec. 13, saw King Feisal and some unnamed Saudi ministers.

Since then, the Foreign Office will acknowledge only that contacts have been maintained between the two countries on the subject of an assured oil supply for Britain and long-term industrialization of Saudi Arabia.

Those familiar with the bargaining say that the talks are moving along well. Officials from the Department of Trade and Industry, the ministry in charge of energy, exports and other business affairs here, are now said to be running the British end of the negotiations.

The deal would assure Britain of a large portion of its energy needs during the critical period before oil on a big scale is ex-

tracted from the North Sea. The Saudis reportedly will get a 50 per cent share in the knowledge, training of executives and technicians and maintenance of new industries. In its initial stages, the Saudis would be equipped with the means to produce transport stages and relative unskilled workers. But ultimately it is envisaged that they could turn out advanced weapons, too.

That monumental deal, intelligence sources say, rules the government's attitude toward the Arab world and affects its concern with Miss Thompson.

Some law-enforcement officials here are arguing that London is behaving in a politically obnoxious fashion, that King Feisal has no interest in protecting Arab terrorists. But these officials say that their political masters are so eager to avoid difficulties with any kind of Arab or Arab supporter that distinctions are not being made.

Yielded Little

Police at the West London station of Belling have been questioning Miss Thompson and Mr. Hakaoui for six days, and Mr. Nassef for four days, Scotland Yard says that the three have yielded very little.

The Yard, however, now believes that the key man is Mr.



THE WORLD'S OLDEST TREE—Chow Hui-yen of the Taiwan College of Chinese Culture standing beside what he claims to be the world's oldest living thing, a Formosan sun tree. He discovered it in a forest, some 30 miles southwest of Taipei, last November. The giant tree, a *Chamaecyparis taiwanensis* Matsum, is said to be more than 6,000 years old, which makes it much older than the famous General Sherman in Sequoia National Park, California. Named Fu Hsing (Restoration) Number 1, the tree measures 34.44 feet in circumference, a long way around.

IRA Pledges To Kill Ulster Administrator

(Continued from Page 1)

His adjoining the border with Northern Ireland.

Other units raided homes in County Donegal, concentrating on the small resort town of Buncrana, nine miles west of Londonderry and a known staging area for IRA sorties into the North.

"They surrounded houses, mobile homes and local bars," an IRA source said. "Some men were hauled out of their beds. Others were grabbed when they returned home." Another IRA source said: "It looks as if the government is out to smash our organization in the border counties."

A police spokesman declined to say if any prominent IRA suspects had been caught in the net, but other security sources said that the detainees were suspected of being only rank-and-file members of the IRA.

Radio Liberty previously broadcast to the Soviet Union Mr. Solzhenitsyn's novels set in prison camps, "The First Circle" and "Cancer Ward," along with other Soviet dissident writings.

Both Radio Liberty and Radio Free Europe have been financed by authorizations of Congress for the last three years. Previously, they were covertly subsidized by the Central Intelligence Agency.

Observers in Belfast said that Brian Faulkner's chances of remaining the leader of Northern Ireland's Unionist party were boosted by the Republic's crackdown on IRA suspects.

Mr. Faulkner heads the executive, which two days ago took over internal government of the province from Westminster, but he faces a determined drive to unseat him as the Unionist party's leader.

Unionist hard-liners, who object to his sharing of executive power with the province's minority Catholics and to his cooperating with the Republic in talks on forming an all-Ireland council, have called an emergency meeting of the party's 600-member council for tomorrow. Mr. Faulkner will demand a vote of confidence at the session.

The British Army today stepped up patrols in Protestant neighborhoods of Belfast in an effort to halt the surge in bomb attacks across the province.

Army sources attributed half of the 10 bomb blasts in the last 48 hours to Protestants seeking to sabotage the new coalition government, and the other half to IRA members dedicated to the same purpose.

Hakaoui, the Moroccan, and that he was part of a small group of revolutionaries seeking to overthrow King Hassan II of Morocco.

The three were believed to have been awaiting the arrival of two other Arabs from Los Angeles. But press accounts of Miss Thompson's detainment seemed to have frightened them off.

Scotland Yard says that the original tip about Miss Thompson and her luggage came from the FBI. Its agents are thought to be watching the two California Arabs who failed to turn up here.

If, as is widely predicted, Miss Thompson and Mr. Nassef are released without charge, the authorities face a bureaucratic problem over Mr. Hakaoui. Unlike the other two, the Moroccan holds a valid visa to stay here for two months and has been in London since Dec. 11. The woman and the Pakistani have not yet been given permission to enter Britain. But Mr. Hakaoui cannot be sent back to the United States without a formal deportation order.

Police sources said that another Arab and the woman's brother also had been arrested, but Scotland Yard declined to confirm the report.

Informal Foreign Affairs Review

Pompidou Sees No Firm Pact On Mideast at Geneva Parley

(Continued from Page 1)

PARIS, Jan. 3 (NYT).—President Georges Pompidou said today that he does not expect the current Middle East peace talks to lead to a lasting settlement.

Mr. Pompidou said that a firm peace accord will be achieved only if it is underwritten by all of the Middle Eastern nations involved in the conflict.

Speaking to newsmen at a New Year's reception in the Elysée Palace, the French President said: "Naturally, I think that, providing there are no brutal or unexpected events or reactions from one or the other side, results will be achieved regarding a military disengagement."

He added that the talks, though it isn't at all certain, that something, perhaps a peace agreement, will be signed between Israel and Egypt or another of Israel's neighbors.

"What makes me pessimistic is the fact that these agreements will not be recognized and approved by all the interested populations and countries, and that ultimately it may look more like some prolonged armistice rather than a definitive peace."

Doubts About Present The President said that he remained firm in his belief that a definitive agreement could come only if it were signed and guaranteed by all the nations in the area, and he added: "I don't think we are moving in that direction at present."

He said that France planned no Middle East diplomatic initiative now because "Israel presently thinks we desire its death" and Egypt has "started moving in a direction different" from previous diplomatic courses.

France, he said, was nevertheless ready to provide guarantees for a global peace accord approved by all and would take part in an international police force.

He said that he considered France's relations with the Soviet Union to be good and noted that he planned to go to Russia next month to meet with the Soviet Communist party's chief, Leonid I. Brezhnev.

In reference to the upsurge of the value of the U.S. dollar, President Pompidou said that he had long foreseen its rise and had told British Prime Minister Edward Heath so at their meeting at Chequers late last year.

Effect on Exports Mr. Pompidou said that a sharp rise in the dollar's value would not be profitable to the United States because it would make that nation's exports more expensive and thus hurt the U.S. balance of payments.

In other comments on world affairs, the President displayed an unusually relaxed and facetious mood.

He used the Common Market dispute over the European regional assistance fund to say, "The British are asking money from the Germans in the Lot" (a French region where Mr. Pompidou owns a country place).

On the oil crisis and a French press demand that France should show more solidarity with other European countries, notably the

Netherlands, he said: "Everybody is asking for solidarity. But now, the Dutch are showing solidarity by raising their gas price to the level of oil prices." He said that Dutch Premier Joop den Uyl had told him that Dutch oil stocks were not in danger of serious depletion.

On Europe—"It will be a slightly different Europe than the one first envisioned by the so-called fathers of Europe. But I don't know if you've noticed that Europe has no mother."

Rebuff to a Canard He belittled France's wiretapping scandal, the attempted buying of the newspaper, Le Canard Enchaîné, as a farce, saying: "I don't need microphones to run this country."

He added: "If there were anyone I wanted to listen to, it would not be in any case be Le Canard Enchaîné."

Dismissing the satirical newspaper's claim that France's counter-espionage service attempted to install listening devices in its new offices here last month, Mr. Pompidou said: "I don't care. Anyway, it's a farce."

He said that he considered France's relations with the Soviet Union to be good and noted that he planned to go to Russia next month to meet with the Soviet Communist party's chief, Leonid I. Brezhnev.

In reference to the upsurge of the value of the U.S. dollar, President Pompidou said that he had long foreseen its rise and had told British Prime Minister Edward Heath so at their meeting at Chequers late last year.

Effect on Exports Mr. Pompidou said that a sharp rise in the dollar's value would not be profitable to the United States because it would make that nation's exports more expensive and thus hurt the U.S. balance of payments.

In other comments on world affairs, the President displayed an unusually relaxed and facetious mood.

He used the Common Market dispute over the European regional assistance fund to say, "The British are asking money from the Germans in the Lot" (a French region where Mr. Pompidou owns a country place).

On the oil crisis and a French press demand that France should show more solidarity with other European countries, notably the

Netherlands, he said: "Everybody is asking for solidarity. But now, the Dutch are showing solidarity by raising their gas price to the level of oil prices." He said that Dutch Premier Joop den Uyl had told him that Dutch oil stocks were not in danger of serious depletion.

On Europe—"It will be a slightly different Europe than the one first envisioned by the so-called fathers of Europe. But I don't know if you've noticed that Europe has no mother."

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Want Jewish Newsman Fired

Qadhafi, Arab Unit Threaten Major Boycott Against Fiat

ROME, Jan. 3 (AP).—Libyan President Moamer Qadhafi has threatened Italy's huge Fiat car company with a boycott by the Arab world unless it fires the Jewish editor-in-chief of La Stampa, a Fiat-owned daily newspaper.

Col. Qadhafi reacted after an article in the Turin paper on Dec. 6 ridiculed his attitude toward the press, his life style and his politics. The article, a freelance feature, compared Col. Qadhafi and Elizabeth Taylor on running away from reporters. It also said his "Arab way to socialism" was "one of those doctrines which a boy of 10 could easily refute."

A Rome magazine reported that Col. Qadhafi went as far as threatening to break diplomatic relations with Italy until the government pressed Fiat into firing La Stampa's Arrigo Levi, one of Italy's best-known journalists. Mr. Levi fought as a volunteer in the Israeli Army in 1947.

The weekly Espresso said the Arab Boycott Committee has threatened Fiat with a boycott of its products and nationalization of its properties in Arab countries unless it bows to Col. Qadhafi's request.

"The Espresso report is true in general," a top Fiat official said today. He added that the company will not issue any official comment.

In Cairo, the head of the Arab Boycott Office confirmed today that his bureau has asked Fiat, to fire the paper's director on the grounds that he is a "Zionist working against the Arab."

"Fiat will either have to fire

him or we shall revise the company's status in Arab countries," Mohammed Mahgoub said. He added that he was optimistic that Fiat would comply since "it would not like to jeopardize its huge interests in Arab countries because of one man."

According to sources, the matter is now in the hands of the Italian government, and Fiat hopes the Italian authorities will succeed in pacifying Col. Qadhafi.

The Foreign Ministry took an extremely cautious attitude. "Broadly speaking, the report is not fully correct," a ministry spokesman said. He said there would be "no further comment."

An Arab boycott would considerably hurt Fiat's foreign market. The company's sales of cars, trucks and tractors to Arab countries are estimated at more than 30 billion lire (\$48 million) in 1973, or about 5 percent of Fiat's total exports. Libya alone accounted for about half of Arab purchases.

Fiat, Italy's largest private company, also owns part of an assembly plant near Cairo where tens of thousands of cars are assembled each year.

Iran, an Oil Producer, Has Power Shortage

TEHRAN, Jan. 3 (AP).—Iran, a major oil exporter, is suffering from an energy shortage, Mesbah Jafar, the director of the power company here, said today.

The shortage, which has resulted in repeated power cuts in parts of the capital and other major Iranian cities, is due to lack of rainfall, which has affected hydroelectric power generation, officials said.

Two other vice-premierships were created. The minister of finance, Antonio Barreto de Lima, a holdover from the last cabinet, was given one; the minister of labor, Licio de F. Fuenle, also a holdover, was given the other.

Many of the new ministers are personal friends of the premier and, like him, have no definite political coloration. Their loyalty to Gen. Franco and his general principles of government. That was a prime consideration in the designation of the premier himself. Such personal elements as loyalty and friendship, likes and dislikes, and the absence of definite political goals have made the outcome of the cabinet unpredictable from the moment the home minister and has cast uncertainty over the future course of Spanish domestic and foreign policies.

Mirages Sold To Abu Dhabi

(Continued from Page 1)

Officials said they are opposed to selling small states like Abu Dhabi "sophisticated dangerous toys."

During the last two years, the United States has sold Abu Dhabi less than \$1 million worth of small arms—"a few revolvers and weapons like that, but nothing of any significance," one official said of those sales.

Abu Dhabi and other small Persian Gulf states formed a confederation called the United Arab Emirates two years ago after the British withdrew. Together, their populations total about 200,000.

They had been generally ignored until oil was discovered in some of them in the early 1960s.

Before the Arab oil embargo stemming from the Mideast war, Abu Dhabi produced 1.4 million barrels a day. By next year, U.S. oil experts predict, its wells will be pumping up to 2.5 million barrels a day.

The commander of police is Schephol Airport here, Maj. R. Gerritsen, said: "In recent hijackings and attacks on aircraft, the hijackers concealed their weapons in hand luggage. The Palestinians who recently hijacked a KLM jumbo jet smuggled their arms aboard a ship at Beirut in the guise of canned food, he said.

Dutch Airports Curb Hand-Carried Bags

AMSTERDAM, Jan. 3 (Reuters).—Dutch airports today began asking passengers to carry all their luggage as possible aboard aircraft to reduce the danger of hijacking.

The commander of police is Schephol Airport here, Maj. R. Gerritsen, said: "In recent hijackings and attacks on aircraft, the hijackers concealed their weapons in hand luggage. The Palestinians who recently hijacked a KLM jumbo jet smuggled their arms aboard a ship at Beirut in the guise of canned food, he said.

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Nixon Plans Personal Effort To Achieve World Oil Policy

(Continued from Page 1)

States did not by itself have the power to affect the prices charged for Arab oil.

"These prices are being set by the producing countries," Mr. Kissinger said. "And under conditions of totally unrestrained competition among all the oil-producing countries there is no way any one consumer can affect the prices."

Several times Mr. Kissinger made the point that "a policy of unrestrained price increases" ultimately would harm the oil-producing nations.

"A worldwide depression produced by a disequilibrium in bal-

ance of payments and a complete over-emphasis on the energy side would have the inevitable consequence of depressing also the situation of the producer countries."

Mr. Kissinger said, "And many of them have come to realize this."

Mr. Kissinger attributed the unrestrained oil price increases to the rapid growth of energy demand and the fact that the use of which money can be put are relatively limited in the Arab nations. As a consequence, he said, "there has been little incentive to increase production and an almost unlimited seller's market."

This insensitivity of supply is a greater long-term problem than the present boycott, Mr. Kissinger said. Unless the oil-producing nations will both agree to stabilize prices and develop new supplies, he said, the result will be "disaster for everyone."

In his discussion of the prospective declarations that the United States will sign with the Arab world and with the members of NATO, Mr. Kissinger said that the Nixon administration was "surprised and disappointed" when the European nations refused to settle on a single declaration linking political, military and economic relationships. He said that "in practice" all these aspects are linked anyway, and that the President would sign both declarations at the same time on his European trip.

"We do not conceive these declarations as a means of blackmail on the Europeans," he said, rejecting the notion that the United States would seek compensation with the Europeans on economic problems.

"What we are trying to do is to have a long-term political objective which would put to rest all arguments. We have told the Europeans: 'For God's sake, let's sit down together.'"

The declarations, Mr. Kissinger said, should create a framework to clarify all pending issues, "not a legal dicker, in which one side produces a document as if we were going to court."

The timetable for Mr. Nixon's trip has shifted continually. Mr. Kissinger said at one point that he expected Mr. Nixon to travel to Europe in the spring if the declarations are ready for his signature.

Mr. Kissinger was asked how the President could play a leadership role "in pretty ambitious schemes to maintain economic stability and world peace while he is under unprecedented attack at home and fighting for the very presidency."

"I believe that the President can do it and I believe that his foreign policy will be recognized as valid in the years ahead," he replied.

In answering the question about the effect of Mr. Solzhenitsyn's book on détente, Mr. Kissinger said that the American view of détente was "produced by the horrors that a nuclear war would inflict upon mankind."

"That is why we believe it is essential for high-level contact to be maintained and easy communication between the President and the rulers of the Soviet Union," he said. "And, therefore, while we have our own views of the conditions which are described in this book, they do not obviate the necessities that I have described."

Record Tokyo Dry Spell

TOKYO, Jan. 3 (AP).—Tokyo went without rain for the 54th consecutive day today—the city's longest dry spell, the Meteorological Agency said.

Earlier reports said the bridge players smuggled out currency equivalent to \$125,000 on trips to the Middle East. Britain, Italy, Switzerland and Portugal and returned with 76 kilos of gold.

Arias Names

New Cabinet For Madrid

Opus Dei Moderates Dropped From Power

(Continued from Page 1)

the strong chances in the country for greater possibilities of political expression and participation.

Two strongly conservative forces, Torcuato Fernandez Miralles, who had been acting premier during the crisis period following the assassination and had been given a good chance of becoming premier, and Gonzalo Fernandez de la Mora, the minister of public works and a rightist ideologue, were both eliminated from the new cabinet.

Emphasis on Order

That the government would emphasize order was indicated by the upgrading of the Ministry of the Interior, which is responsible for the post in the last government, named Jose Garcia Hernandez, a legal expert and deputy in parliament, as its replacement. At the same time, he made him first vice-premier. Mr. Garcia is a well-known enemy of the Opus Dei and his designation seemed to emphasize what a defeat the Opus Dei had suffered.

Two other vice-premierships were created. The minister of finance, Antonio Barreto de Lima, a holdover from the last cabinet, was given one; the minister of labor, Licio de F. Fuenle, also a holdover, was given the other.

Many of the new ministers are personal friends of the premier and, like him, have no definite political coloration. Their loyalty to Gen. Franco and his general principles of government. That was a prime consideration in the designation of the premier himself. Such personal elements as loyalty and friendship, likes and dislikes, and the absence of definite political goals have made the outcome of the cabinet unpredictable from the moment the home minister and has cast uncertainty over the future course of Spanish domestic and foreign policies.

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Before the Arab oil embargo stemming from the Mideast war, Abu Dhabi produced 1.4 million barrels a day. By next year,

Skylab Crew Sees 'Spiritual' Change

Space Flight Said to Alter View of Life

HOUSTON, Jan. 3 (AP).—Skylab-3's astronauts said yesterday they feel changes of "almost a spiritual nature" in their views of themselves, of other human beings and of the possibility of life existing elsewhere in the universe.

The changes come from orbiting the earth for 43 days and watching the panorama of the world, the sun and the stars be-

hind, astronauts Gerald P. Carr, William R. Pogue and Edward S. Gibson said in a news conference from space.

Col. Carr said the long space flight has given him a more "humanistic view toward other people" and toward him-

self.

"I now have a new orientation of almost a spiritual nature," he said. "My attitude toward life

is going to change, toward my family it's going to change. When I see people I try to see them as operating human beings and try to fit myself into a human situation instead of trying to operate like a machine."

Col. Carr said persons in very technical work tend to "move along with your blinders on."

Increased Awareness

"I think this mission is going to increase my awareness of what else is going on besides what I'm doing," he said.

Dr. Gibson said orbiting the earth for days "makes you speculate a little more" about life existing elsewhere in the universe.

"Being up here and being able to see the stars and look back at the earth and see your own sun as a star makes you much more conscious of that," he said.

"You realize the universe is quite big and just the number of possible combinations that you can have out there which can create life enters your mind and makes it seem much more likely."

Col. Carr, commander of the 84-day mission, said he felt "the chances are very, very good" that life exists elsewhere in space until the planned Feb. 8 splashdown.

The astronauts responded to questions prepared by newsmen and read to them by a mission control commentator. They answered 18 questions during the 30-minute news conference.

Asked what they missed most other than their families, Col. Pogue said that for him "it's the ability to eat whenever I want to."

"It's the ability to take time to reflect," Dr. Gibson said.

"I miss the opportunity to sit down and relax," Col. Carr said. "I miss football. I miss a good cool can of beer to have while I watch the game."

Time to "Recreate"

Asked why they insist on time each day to relax, unlike the schedules of previous Skylab missions, Col. Pogue said the time is needed to "recreate" themselves.

"If you keep charging forward... you lose track of what you're doing," he said. "I think you need time to pause, reflect and see what's going on around you."

Asked about their attempt early in the mission to cover up Col. Pogue's brief spell of vomiting, Col. Carr said he made a "bum decision."

"We felt we didn't want to bother the ground with it," he said. "We decided the next morning that it was a bum decision, but it was too late to take it back."

When mission control learned by accident of the vomiting, the astronauts were reprimanded.

U.S. Fuel Crisis Cuts Road Toll

CHICAGO, Jan. 3 (Reuters).—The fuel shortage saved the lives of at least 124 persons on U. S. roads during the New Year holiday, the National Safety Council estimated here yesterday.

The council said at least 570 persons would have died if there had not been a gasoline shortage. The final death toll for the holiday was 44.

During the last New Year holiday, which was shorter, 451 persons died in traffic accidents.

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POSTED AREA—After President Nixon signed a law establishing a 55-mile-an-hour speed limit in the United States, up went this sign at his house in San Clemente, Calif.

U.S. Oil Firms, Distributors

Agree on Gas Station Limit

(Continued from Page 1)

gasoline prices even higher than previously predicted during the next several weeks.

One obvious factor is the recent round of steep price increases on foreign oil, begun by a doubling of the posted price by Persian Gulf producers late last month.

Anti-Inflation Program

In addition, a new price increase of 15 cents a gallon was granted to retailers on Jan. 1, to take into account for the first time "nonproduct cost increases" under the federal anti-inflation program.

Mr. Simon said that reduced gasoline sales resulting from production cuts and fuel-saving measures would reduce the income of service station owners and operators. They would be partly compensated by further price increases, to be announced in about one week, and to take effect on Feb. 1.

Mr. Simon said the increases would be determined by a formula which would calculate a variable price increase depending on the amount of sales and their reduction.

The result, he said, would be a price increase of 8 to 11 cents a gallon over the prices of early December. Prices, he said, would vary throughout the nation.

20 Percent

In a related development, an Internal Revenue Service survey showed that gasoline stations are violating price regulations at a higher rate than any other industry under government price guidelines.

About 20 percent of service stations checked were selling gaso-

line above the legal ceiling price, the agency said.

A spokesman said the IRS plans to have 300 agents assigned solely to checking price violations by gasoline stations.

Meanwhile three major oil companies—Amoco, Sun Oil and Standard Oil of Ohio—increased prices yesterday. The wholesale gasoline increases of 5.5 cents a gallon for Amoco, 3 cents for Sun Oil and 1 cent for Standard followed increases announced Monday by Standard Oil of California, Union Oil Co. and Shell Oil Co.

A spokesman for the Energy Office said the companies would have to submit detailed reports justifying their price increases, which he said would be legal if they are based on the higher costs of foreign oil.

As a result of the investigations, most of the violations have resulted in price rollbacks and refunds to customers, either in the form of compromise payments to the government or a requirement that the station discount the price of its gasoline.

In related developments:

● The Interior Department says it has begun the first step in opening up about 7.7 million acres of Pacific Ocean bottom to oil and gas development. The area is off the California coast, and oil companies would identify areas they would like to exploit. The department would then select areas that would be up for competitive bidding in 1975.

● U.S. airlines have yet to use any of the military jet fuel set aside for them by the government. A Pentagon spokesman said the practice would continue until the airlines do not run short of fuel.

China Campaigns to Make Women Truly Emancipated

By H.D.S. Greenway

HONG KONG, Jan. 3 (WP).—Women, whose place was in the kitchen in the old days, now carry half of heaven on their shoulders. This slogan is repeated often in China these days in reference to the emancipation of women in Chinese society.

The equality of women, both in the work force and in the eyes of the Communist party, combined with the breaking of old customs that restrict women's rights and a new emphasis on birth control, were all part of an integrated and intense campaign in China during the past year.

On the political front, the women's federations that fell into disuse during the Cultural Revolution have been revived, and this year women's congresses were held all over China.

Recently the leading Chinese ideological journal, Red Flag, carried an article on the subject of women's rights, saying that China's revolution "requires a real effort to train women's cadres." The article quotes Lenin as saying, "The proletariat cannot achieve complete liberty until it has won complete liberty for women."

Subservient Role

In most Asian societies women have traditionally played a role subservient to men—more so than in Europe or America. Even in the new China, Red Flag admitted, "the influence of the idea that men are better than women, a notion imposed by feudal rule over thousands of years, persists."

"For centuries in old China," the article said, "the guiding ideology of the landlord and capitalist classes was to treat women as slaves and appendages, depriving them of the right to take part in social production and political life. One of the important tasks of the proletariat is to free women from such slavery."

"The question of women doing household drudgery has yet to be thoroughly settled," the article said. "It is necessary to advocate that men and women should share household chores." Only in this way will women have the time to join into the full political life of China.

Chinese women had for too long been bound by the "four ropes of feudal political authority, clan

Despite Breakdowns

U.S. Trains Gain Passengers As Fuel Shortage Worsens

By Edward C. Burks

NEW YORK, Jan. 3 (NYT).—Amtrak, the U.S. rail passenger system, reported yesterday that patronage throughout the country rose substantially in November and December, including a 30 percent increase in Metroliner passengers.

In its first survey of the effects of the gasoline shortage, Amtrak compared a five-week period from November through early December with the same period in 1972.

Patronage on the New York-Boston run increased by 37 percent; on the Empire Service across New York State by 30 percent; and on New York-Florida trains by 25 percent.

Just as Amtrak has begun to register very large gains in patronage, several of its trains have suffered major breakdowns and freeze-ups in the last few days.

For example, the five-week survey shows that one of the biggest gains in extra passengers was the San Francisco Zephyr, with 59 percent more fares in November-December, 1973, than the year before, between Denver and the West Coast.

Yet that train, during the last few days, has experienced two of the worst delays in Amtrak's brief history. On Monday, a westbound Zephyr had a 13-hour delay at Galesburg, Ill., when its three diesel locomotives broke down. Yesterday, the eastbound Zephyr was stopped in sub-zero

weather at Ogden, Utah, for more than 12 hours when its steam generators and steam lines froze.

On-time figures for Amtrak trains continue to be far from satisfactory. In November, for example, Metroliners, using the best track of the Amtrak network, were on time (within five minutes of scheduled arrival times) only 70 percent of the time.

Amtrak complains that its trains are subject to the operating jurisdiction of the individual railroads and that the railroads have little interest in on-time performance.

In the Metroliner corridor—between New York and Washington—those trains can be delayed by heavy commuter and freight traffic.

For the Amtrak system as a whole, trains were on time 64 percent of the time in November. Even that was a big improvement over August (51 percent) and July (48 percent). Turbotrains built for high speed, but hampered by curves and poor track, were on time only 43 percent of the time on the New York-Boston route and 33 percent on the Chicago-St. Louis run in November. New York-Kansas City trains were never on time during the period surveyed.

The measures were drawn up yesterday at an Elysee Palace meeting of ministers responsible for economic and financial affairs.

"The new measures will be made known in a week," Industrial Development Minister Jean Charbonnel declared after the meeting.

The announcement of newly planned measures coincided with a government order cutting supplies of natural gas to industrial and domestic users by 25 percent in two-thirds of the country.

The gas cut stemmed from technical difficulties at a natural gas plant in Algeria, which supplies about 15 percent of France's gas requirements.

Blackout in Singapore

SINGAPORE, Jan. 3 (AP).—A power failure at Singapore's major power station just after sunset today caused this island republic's worst blackout since World War II. Hundreds of persons were trapped in elevators and traffic was snarled at main intersections as about 90 percent of the power was lost. Service was restored late in the evening.

Major Ship Losses Set Record in 1973

LONDON, Jan. 3 (Reuters).—There were more major shipping losses in 1973 than in any previous year, according to figures released by Lloyd's of London today.

Lloyd's said 53 vessels, with an insured value of more than \$200 million (\$184 million) had been lost during the year. In 1972, 19 vessels worth \$233 million were lost.

U.S. Envoy Resigns

SAN CLEMENTE, Calif., Jan. 3 (AP).—E. Ross Adair's resignation as the U.S. ambassador to Ethiopia has been accepted by President Nixon, the Western White House announced today.

A former Indiana congressman, Mr. Adair had held the post since May, 1971. He plans to return to private life.

Some Fallout Found From

1700-1721 War

TOENNING, West Germany, Jan. 3 (UPI).—The bomb-disposal squad of this small town on the North Sea coast, an area where World War II explosives are still being defused, has disarmed some ammunition that is considerably older.

Alerted by operators of dredges in the port, the squad defused two iron cannonballs, more than 250 years old but with their charges of black powder still intact.

Historians said that the cannonballs apparently were fired by Danish warships during the 1700-1721 Nordic War.

U.S. Seeks to Cancel 3 Papers' TV Licenses

WASHINGTON, Jan. 3 (Reuters).—The Justice Department today asked the Federal Communications Commission to cancel three lucrative licenses enabling major newspaper publishers to own radio and television stations in St. Louis and Des Moines on the grounds that the companies dominate news and advertising in the two Midwestern cities.

The companies involved are the Pulitzer Publishing Co. of St. Louis and the Des Moines Register and Courier, both owned by the same company.

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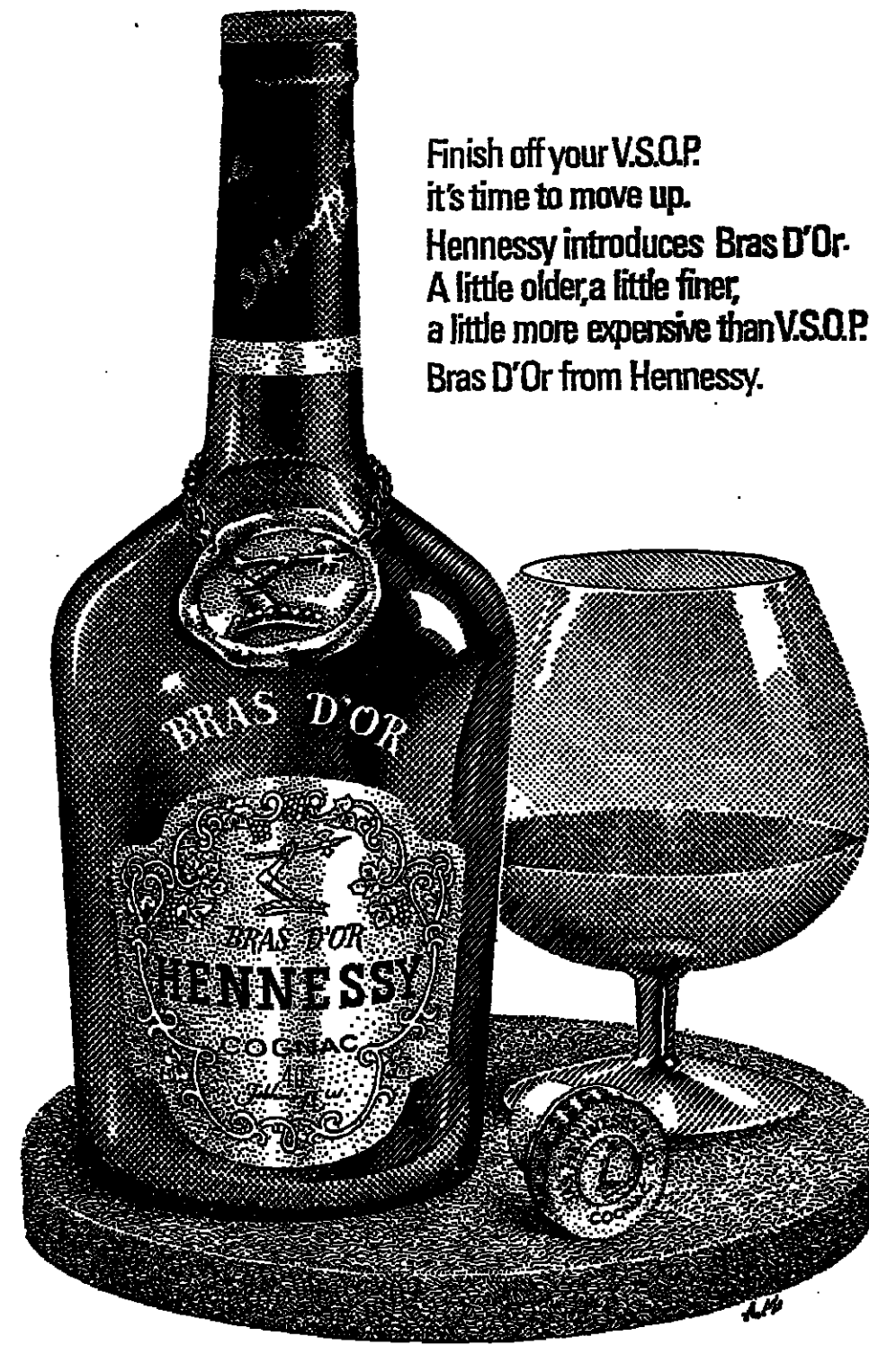
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Finish off your V.S.Q.P. it's time to move up. Hennessy introduces Bras D'Or. A little older, a little finer, a little more expensive than V.S.Q.P. Bras D'Or from Hennessy.



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Mitchell-Stans Trial Put Off, Probably to End of February

By Philip Greer

NEW YORK, Jan. 3 (WP).—The trial of former Attorney General John N. Mitchell and former Commerce Secretary Maurice H. Stans on charges of perjury and obstruction of justice was delayed again yesterday, probably until late next month.

U.S. District Judge Lee P. Garfield granted a defense motion for the delay because Peter H. Rask, who will represent Mr. Mitchell, is occupied in a fraud trial in Oklahoma City. The Mitchell-Stans trial had been scheduled to begin Jan. 9.

Judge Garfield said, however, that the trial will begin within two or three days after the completion of the Oklahoma case, which is expected to go to the jury about Feb. 15. The judge has resisted two previous efforts to delay the trial but has acceded both times, once under pressure from the Circuit Court of Appeals.

Mr. Mitchell and Mr. Stans are accused of trying to obstruct an investigation by the Securities and Exchange Commission of a negative financial report by L. Vesco in return for a secret \$200,000 cash contribution to President Nixon's re-election campaign in 1972. They also are charged with lying to the grand jury that investigated the conspiracy.

Mr. Vesco, who also was indicted for obstruction, has turned back two government efforts to extradite him from his bases in the Bahamas Islands and Costa Rica.

Another Probe

It also was learned that the U.S. Attorney's Office here has begun an investigation of possible criminal charges stemming from the SEC's 1972 civil fraud complaint against Mr. Vesco and 11 other individuals and corporations. In that case, which has not yet had a full trial, the SEC charged that Mr. Vesco masterminded a plan to divert \$224 million in assets belonging to mutual funds operated by IOS, Ltd., the Geneva financial complex. A federal judge here has issued preliminary injunctions against Mr. Vesco and also ordered receivers for several Vesco-controlled companies.

Investigation of that case is headed by Assistant U.S. Attorney Elliot Sager and is being commented by SEC specialists. One of those is Daniel Schatz, whose discovery of suspicious deposits at a former IOS office were touched off the original SEC investigation of the once-sprawling financial company.

Criminal Aspects

The U.S. Attorney's Office refused to comment on the new probe group, but its existence was

Blazes in Wells

Daily Cost Israel \$240,000 in Oil

JERUSALEM, Jan. 3 (UPI).—Israel is losing the equivalent of \$240,000 a day in oil production because of blazes raging through several of the wells in the Gulf of Suez, Finance Ministry officials said today.

A Finance Ministry spokesman said that firefighting experts from the United States have been summoned to combat the flames, which broke out Tuesday in several offshore installations on the Abu Rodeis in the southern Sinai Peninsula.

Deputy Minister Zvi Dinstein, a government's chief oil administrator, said on returning on the site that 15 to 17 percent of the output of the wells has been affected by the fires, which consume about seven million tons annually and the loss produce five million acres a day.

The 100-foot-high flames, he said, have caused damage of \$12.5 million to equipment and the wells, which draw high-grade crude oil.

The spokesman, Dan Halperin, said: "We are sure that there was a sabotage here." An oil industry source said the fires, caused by a technical accident, will probably be the subject of law suits.

Israel captured the wells from Egypt in the 1967 Middle East war.

Spaskey in San Juan or Match With Byrne

SAN JUAN, Puerto Rico, Jan. 3 (UPI).—Soviet chess champion Boris Spaskey arrived today for elimination match against U.S. champion Robert Byrne, which will start Spaskey on his way to a rematch with Bobby Fischer.

The Spaskey-Byrne match, scheduled to begin Jan. 14, is one of four elimination rounds to be held throughout the world to determine who will be Fischer's next challenger. Spaskey lost the 11th title to Fischer in 1972.

U.S. Fuel Crisis Cuts Road Toll

CHICAGO, Jan. 3 (Reuters).—The fuel shortage saved the lives of at least 124 persons on U. S. roads during the New Year holiday, the National Safety Council estimated here yesterday.

The council said at least 570 persons would have died if there had not been a gasoline shortage. The final death toll for the holiday was 44.

During the last New Year holiday, which was shorter, 451 persons died in traffic accidents.

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Ballots and Bullets

Washington is reported to be cautiously hopeful that the inconclusive Israeli election will not interfere seriously with the work of the Geneva conference—at least in its early stages of seeking a workable cease-fire. The real difficulties, according to this view, will arise later when the actual business of drawing frontier lines and other arrangements for a permanent peace come to the fore.

Neither of these conclusions seems unreasonable. In fact, they represent a situation that has been chronic in the Middle East since 1948—it has always been possible to put a temporary stop to war, but never to conclude a peace. The differences that persist in Israel over the territorial basis of the state and its political relations with its neighbors have been almost as marked during the period following the Six-Day War, despite the virtually uncontested dominance of the Labor party coalition, as they are now that the Meir government has lost seats and prestige. The difference is that during the long, uneasy truce it did not seem to matter to Israel that it never came to grips with the question of what would constitute a viable nation. The Arabs themselves never truly confronted that problem, and their vagueness, coupled with their military weakness and a tendency to utter absolutist claims, encouraged the Israelis to lull in a post-bellum state of complacency.

Now this has been radically changed, by

Arabs bullets, Arab oil, and a global impatience with Middle Eastern tensions. The ballots cast in the Israeli election will not change these imperative factors. They can at most make it more difficult for the Israeli government to meet them.

One feature of previous attempts to use diplomacy to regularize the results of Middle Eastern fighting was that a strong, united and able Israeli government faced a medley of Arab states, with varying forms of government, and varying strengths within those governments. The Arabs are still not wholly united—Syria refuses to participate at Geneva and Jordan warns of the danger of a unilateral Israeli-Egyptian settlement. But the Arabs are closer to one another now than at any other time, and more confident, while the Israeli government is trying to decide just what the Labor party's losses mean—a demand for stiffer terms at Geneva or just a reaction against that party's errors in the October war.

But whatever Mrs. Meir and her colleagues conclude from their study of Israeli opinion will not affect the objective situation in which Israel finds itself. Nor could Menahem Begin's Likud party do so, and opportunity for peace presents itself. To reject that opportunity by too great an inflexibility might bring Israel back to the stormy, lonely days of Mr. Begin's Irgun Zvai Leumi—which very few in Israel and almost none outside would welcome.

U.K. Credibility Gap?

Britain's three-day work week has begun with a vengeance. Three-quarters of a million workers were thrown onto the unemployment rolls Wednesday, on top of the nearly half-million already there. If the abbreviated week long continues, unemployment could climb to 6 million, a level of joblessness the British have not experienced since those years on the dole before World War II.

The exasperating question facing the British people is whether this three-day week—which applies to two-thirds of the entire labor force of 25 million—is really necessary to conserve fuel reserves, or whether the Heath government is using the energy crisis as an occasion for breaking the industrial slowdowns of the coal miners and railroad engineers to force them to accept smaller pay increases.

The government's latest figures imply that coal stocks are high enough to permit industrial output to continue at normal levels at least until summer, before it would be necessary to move to a three-day week. Switching from coal to oil could extend the period of normal production even longer. However, the volume of future oil deliveries remains uncertain despite Arab announcements that the oil embargo on Britain is being lifted.

But Prime Minister Heath appears less interested in maintaining production and full employment than in bringing the pressure

of public opinion to bear against the miners. His apparent aim is to defend his wage policy and halt inflation. He is taking heavy risks, however, that the tough tactics he is using could have the opposite effect and could gravely worsen rather than improve the inflationary situation in Britain. With aggregate demand remaining high, the government-imposed three-day work week could severely curtail output in many industries, creating shortages and bottlenecks to production and only intensifying inflationary pressures.

The government's drastic tactics could backfire if the public became convinced that Mr. Heath and his ministers had exaggerated the size of the fuel shortage not only to break the resistance of the workers but to reap political gains for themselves.

The effective management of the energy crisis depends to an important degree on the maintenance of public confidence that government is being absolutely honest about the dimensions of the fuel shortage and is not exploiting a nonexistent or poorly defined crisis for its own political purposes or to serve those industrial interests it favors. This threat of public disbelief in the oil crisis and the crisis-management policies of government hangs no less over the Heath government in London than over the Nixon administration in Washington.

THE NEW YORK TIMES.

Charles Eustis Bohlen

Charles E. Bohlen, dead at 69, entered the Foreign Service in 1929 and, by a typically presidential hunch, decided early to specialize in Soviet affairs. When World War II thrust upon the United States the imperative of dealing closely with the Soviet Union, he was one of the few Americans thoroughly ready. Quickly, his competence, along with his easy manner—his name was rarely even alluded to without inserting, parenthetically, the nickname, "Chip"—brought him a post as President Roosevelt's interpreter and adviser. He stayed at the top, serving as ambassador in Moscow, Manila and later Paris, and over the years serving as intimate adviser and/or interpreter to four presidents at summit meetings (actual or aborted) with Kremlin leaders, until his retirement after 40 years in 1970.

"Chip, come here and look at these," President Kennedy said to him on Oct. 17, 1962, spreading out the Cuban missile photos. It was a characteristic moment of American diplomacy in the '40s, '50s and '60s—presidents consulting and depending on "Chip" Bohlen. To all of them, regardless of their party affiliation or their personal outlook, he offered the consummate professional's invaluable service, his best judgment. Victimized by Sen. Joseph McCarthy for having been with Roosevelt at Yalta, he stood his ground at the risk of his career. Later, for essentially the same reason, Secretary of State John Foster Dulles found it convenient to "exile" him to the Philippines. "Chip"

went off to do his duty—and to sharpen his poker game and his golf swing, and to replenish the rich and almost unending supply of anecdotes, often deliciously salty, with which he loved to regale his friends. He was a man of bristling integrity, and he appreciated the good life, too.

It is not easy to measure the impact of a man like Charles Bohlen, who spent his working life inside an essentially closed bureaucracy. A large part of his influence surely arose from the special combination of stature and savvy which informed his participation in what must inevitably be a multilayered, multipointed process of policy formulation. Unsurprisingly, his formal "views" were in the official mainstream of his place and time. He found Russia hostile in history and ideology to the ways of the West. For real and lasting improvement in Soviet-American relations, he looked realistically to fundamental changes in the Soviet point of view over a period of many years. Barring these changes—and he had no illusions about how quickly they would come—he advised patience and a prudent battering down of hatches for an indefinite storm. Whether he and his generation could have changed the Russian outlook by altering their own must remain a matter of speculation. Ambassador Bohlen himself was not one to look back. For him, it was enough to serve one's country with conscience and dedication—and, we would add, with distinction and with style.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago

January 4, 1899

PARIS—The "Figaro" publishes this morning an article describing a visit to the works now being executed under all parts of Paris for the new Metropolitan railway. Matters are being pushed on rapidly and the contractors, who will receive a premium of 2,000 fr. for every day gained, have stimulated the zeal of their workmen by promising to share the reward with them. The stated opening day for the first line is January 14, 1900.

Fifty Years Ago

January 4, 1924

LOS ANGELES—Another drama has struck this film capital which has seen so many, too many, during the last few years. And as in the other celebrated cases, when the true story does surface, a scandal is certain to develop. All that is now known is that the chauffeur of film star Mabel Normand shot and seriously wounded a dinner guest of his employer in front of witnesses. Was he drunk or was he jealous? Miss Edna Purviance, another film star, was also present.



'Sir, on Porterhouse Steak Orders We Require Earnest Money.'

Waking Up and Staying Awake

By Anthony Lewis

BOSTON.—One of the most sensible comments to come out of the U.S. government in a very long time was made the other day by William E. Simon, the energy administrator. If and when the Arab oil embargo is lifted, he said, his major concern will be "not letting the American people go to sleep again."

"They cannot continue to live their wasteful ways," he said. "Americans waste 30 to 40 percent of their energy sources and have to go through a permanent change in lifestyle."

That view would win wide agreement among those professionally concerned with the political and economic and ecological implications of the energy problem. There is just one trouble. Neither Simon nor anyone else in the government has given the public at large any idea of what is really involved in ending a 40 percent energy "waste" or making "a permanent change in lifestyle."

The public has had its attention focused so far on such measures as lowering home thermostats and driving more slowly. Those are necessary short-term steps, but in terms of fundamental change they are not serious.

Frugality Not Enough

"Personal frugality contributes relatively little," Emma Bonstedt concluded in a far-sighted analysis of energy prospects in the New York Review of Books last August. For example, she noted, those "symbols of electric profligacy," small appliances, do not amount to much as energy users. In the year 1968, over 15 million electric toothbrushes and 18 million blenders used only as much energy as one hour of American automobile travel.

The reasons for the profligate American use of energy are basic. They include the dominant place of automobiles in transportation, the suburban pattern of living, the emphasis on energy-intensive rather than labor-intensive industry and the economics of planned obsolescence.

Any government that is serious about changing our energy lifestyle has to get at those basic factors. And they can be effectively influenced by government action. For those patterns of our national life did not just happen by accident in a market economy. They developed under the influence of government subsidy and regulation—which can change direction, and should.

By way of illustration, here are some possibilities of government leverage for change:

● Our sprawling suburbs have developed as they have in part because of tax laws and federal mortgage insurance that encouraged single-family home ownership. A recent study shows that low-density suburbs use twice as much energy a person as cities. Federal law should now provide incentives for more concentrated communities.

● The most familiar example of the impact federal money can have on our way of life is the huge highway program, which has left us with the worst mass transportation system of any industrial country. It is time now to use not just a part but nearly all of those funds to help trains, buses and subways. There should be no more federal highway money, starting right now, except to complete essential links.

● Tax laws have encouraged

commercial property companies to tear down old buildings and slay up the high-rise offices that mean big depreciation and big profits. The incentive should be precisely reversed. Federal standards for both homes and commercial structures should put greater emphasis on durability and energy-saving.

● Similarly, the tax system should be used to discourage disposable products and elaborate packaging, and to reward genuine durability in consumer durables. Tax and other measures should be used to reverse the postwar trend toward substitution of synthetic for natural substances—detergent instead of soap, for example—especially when the synthetics are based on oil, as many plastics are.

● Big industrial and commercial users of electricity now pay only about half as much for it as a family. Cheap rates for large customers makes sense if you are trying to promote sales of an abundant product, but their effect right now is to encourage

some of the most significant users of energy to be wasteful. State utility commissions, and if necessary the federal government, should change the rules.

It may be that more radical measures will be required—measures challenging the ethic of the consumer society and the whole notion of profit as the standard of business behavior. But, at a minimum, if our economic and political system is to survive in the age of scarcer, more expensive energy, it will have to adjust its own mechanisms to the new reality.

William Simon is hardly to be criticized for not yet having addressed the long-term problems. He inherited a crisis that an irresponsible government had allowed to develop, and he had to deal first with immediate needs. But he will have to start soon explaining what he means by "a permanent change in lifestyle." Americans have responded well to the calls for frugality this winter, and they are waiting for leadership on the more fundamental energy issues.

Letters

Vietnam's Plight

James M. Markham's report from Vietnam (Herald Tribune, Dec. 31) is quite alarming indeed. The present economic plight in that country was nevertheless predictable, although by no means inevitable. The main culprit remains, as has been the case for many years, mismanagement by—and misconduct of—those who manipulate public finance, including the American aid. Another problem is overpopulation, that result of President Thieu's decision not to allow people who fled areas now held by the Viet Cong to go home; many of them are unable to find a job because of scant employment opportunities and lack of skills.

That Thieu now rules out general elections provided for by the Paris agreement is understandable enough since he has every reason not to trust his people that grow increasingly vulnerable to Communist propaganda out of lassitude and despair. The outcome, however, might be serious. Should the Viet Cong and their Northern allies choose to unleash an all-out offensive in retaliation, it is doubtful that Thieu's disloyal and disgraced army could fare successfully unless the United States intervenes militarily and the whole familiar process starts all over again.

NGUYEN XUAN CHANH, Clermont-Ferrand, France.

Clear Lesson

A "clear lesson," it seems, is exactly what James Reston (The Limits of Power, HBT, Dec. 30) has failed to comprehend. It appears to me that it is not the Arabs, but Mr. Reston, the International Herald Tribune, and the American people who have "missed the point."

The Arab nations, now in a position of power, have forced the lordly American oil companies to hand over the goods after finding unimpressive these companies' meekly appeasement of 25% or so. The Arabs coming into the theater of world power as "late bloomers" have done so only by heeding a great lesson: They are using their power and not holding back because they have no choice; America, as captain of the globe, has wren-

ed, cudgeled, "coaxed," and pressured many countries of the world to get where it is today. America is a land of opportunists that have crumpled the lives and souls of many a spirited people. Americans are the arrogant, the conceited, the aggressive, the vain. It's no wonder they have few friends left among the peoples of Europe, Africa, Asia, and find solace only among the fascists of Spain and Portugal and South America.

The Arabs know they are on stage, and they don't have the kind faith or trust in America that Americans seem to possess for their country. The Arabs are a nation of rhetoric and the sooner they face the facts as to who they really are and what their tactics and policies of aggression have done to the "modern" world, including themselves, the better we all can live. The Arabs, I think, realize this.

One, of course, cannot be so narrow-minded as not to question the Arab political intentions, and I support Israel for all its own failings, but what comes through to me every day in the news is not that America is worried for its oil or Israel, but that it is, now, powerless and, simply, scared stiff! The "Great Life" is over, and for most of us the important question occupying our minds is: "How can I somehow help resolve the human predicament?" The answer to this is, America, by Americans, must be held in a different light.

GREGORY BENZOW, Cologne.

Aid for Israel

Sen. Fulbright's fear that U.S. help for Israel will strengthen that country's position at the coming Geneva conference is certainly justified. But what does the senator really want? Weaken Israel's position, thus helping the Arabs to complete their murderous schemes? Does he not realize that Israel is fighting, back to the wall, not only for its very existence, but also for our way of life, our civilization and political survival in this part of the world, called Middle East? P.S. I am not a Jew.

Lausanne.

Who Concedes What To Achieve Détente?

By Robert G. Kaiser

MOSCOW.—The Soviet news agency Tass celebrated New Year's Day by announcing the publication of a book on Soviet-American cooperation—*New Horizons*, the first volume of a new series called "U.S.S.R.-U.S.A. Prospects for Cooperation."

It promised more volumes by "diplomats, economists, scientists and publicists" dealing with "Soviet-American cooperation in economy, science, technology and culture." Three Moscow publishing houses will bring out these books in the months ahead.

Tass's announcement seems to symbolize a New Year's resolution agreed on inside the Kremlin—that 1974 should be a year of more and better cooperation with the United States. The New Year's resolution, as so many is the great difference between the ease of stating it and the difficulty of implementing it.

"We will continue to work for the development of the processes of international détente," Leonid I. Brezhnev, the Soviet party leader, promised in a New Year's message, "and we will work to give these processes concrete material content." But how? And what content?

Major Differences

As 1974 begins, three important East-West negotiations—each of which could give substantial concrete content to détente—are stalled because of fundamental differences between the Soviet Union and the United States. Many of these differences are major; to overcome all of them will require the biggest concessions either side has yet made for the sake of détente.

The SALT talks in Geneva are supposed to lead to an agreement in 1974 on permanent limitations of offensive strategic weapons. Brezhnev and President Nixon established this timetable in June. But to date, the SALT negotiators have made little or no progress. The United States found the latest Soviet proposal at Geneva distressingly one-sided, assuring—American sources contend—a permanent Soviet advantage in offensive weapons.

The options at SALT raise dismaying dilemmas for the Soviet Union. The basic problem is "MIRV," the independently targeted, multiple-warhead missiles which the United States has deployed, but the Russians have only just tested successfully. Because of MIRV, the United States can now have more deliverable warheads than the Russians with fewer individual missiles.

Since the Russians' successful test of MIRV last summer, the Pentagon has presumed that it is only a matter of time before the Soviet Union manufactures and deploys this weapon on most of all of its missiles. This presumption is the basis of the gloomiest analyses produced recently on the prospects for Soviet "strategic superiority" in the future.

The presumption may be accurate, but it also may be wrong. MIRV is an incredibly sophisticated weapon, carrying its own computer and other elaborate electronic gear. This is precisely the area of technology in which the Soviet Union is weakest. The Soviet civilian economy—after years of trying—is still incapable of genuine mass production of computers.

Gap Develops

For the Russians, there will be a big gap between a successful series of MIRV tests and actual deployment of the weapon. There has been no reported Soviet test of a submarine-based MIRV, although the U.S. is already deploying this weapon. That gap opened last year and will last for at least two years, according to the Pentagon's most pessimistic forecasts, or for more than 10 years, according to some other estimates. Meanwhile, the Soviet Union wants to negotiate a permanent limitation of offensive weapons. This is Brezhnev's dilemma.

Can he negotiate on the assumption that his military factories will succeed in quickly mass-producing a reliable MIRV? Or—in pursuit of the delusionary possible sense of security, like every Russian leader in recorded history—must he be more conservative and assume that the Russians will not be able to deploy MIRVs for years?

Brezhnev, of course, has more information about this dilemma than the rest of us, but he probably has less than he would like. Meanwhile, to meet the 1974 SALT deadline, he must find a definition of strategic equality with the United States which takes account of America's MIRV advantage, satisfies the U.S. Senate and pleases his own generals.

The Vienna talks on mutual force reductions in Central Eu-

rope are stalled because of a similar—if less complicated—dilemma. The United States hopes these talks will allow it to withdraw some troops from Europe without diminishing West Europe's security. The question facing the Soviet leaders is whether they should let the Americans get away with this gambit.

At the moment, the Soviet Union and its allies appear to be the best armed forces in Europe. They have more men than the western allies, more and probably better weapons, and superior organization and deployment.

Response Unsure

The Soviet position in Vienna has been, in effect, that it must be allowed to preserve the advantages it built up in the past. The West—or at least many of the Western countries—want Moscow to sacrifice some of its advantages to achieve a more equal balance of forces in Central Europe. The West is in a hurry for an agreement, since it fears unilateral American withdrawal dictated by the U.S. Congress if no agreement is reached. The Russians can afford to be patient. What would persuade Brezhnev and his colleagues to make the concessions which appear necessary to reach a force reduction agreement? The question is still unanswered.

The Geneva talks on European security are also stalled. These are the least concrete of the ongoing East-West negotiations. Their principal object appears to be to achieve a symbolic agreement on the end of the cold war.

The Western countries have decided to ask for more than that. They've proposed concrete steps that would remove a few of the barriers that prevent people and ideas from passing freely between East and West. Although anxious for a breakthrough on European security, the Soviet Union apparently has no interest in these Western proposals. The Western countries have not yet indicated whether they will abandon their ideas to please the Soviets.

In all these East-West talks, the Soviet position is impossible to foresee because it is based on more than the specific issues under discussion. The Soviet Union has practical reasons for participating in these negotiations; it also has broad, well-defined objectives for détente that color its specific attitudes. The Russian leadership wants to secure their Western front while relations with China remain uncertain, to gain access to advanced Western technology and investment capital and to help raise the Soviet standard of living.

These factors influence Soviet bargaining positions. They contribute to the Soviet Union's and Soviet leaders' decisions. But it would be rash to conclude that the Soviet Union is so desperate for détente that it will risk what it perceives as basic security considerations to achieve it. More security seems to be the overriding goal of Soviet policy.

Risks by All

The common element of all these negotiations is that success in each will require all involved to take some risks. The negotiations demand risks to improve a status quo which for all its imperfections still provides the security that East and West both seek. Although it is fashionable to decry the cold war, it is undoubtedly true that in Soviet-American relations and in Europe, the cold war has been a successful means of mutual deterrence which has provided security and peace.

Is either side prepared to take those risks? That seems to be the question for 1974. However, it may be postponed until 1975 or beyond. Khrushchev has now tied détente—which means, presumably, these three negotiations—to success in the Middle East peace talks just beginning in Geneva. The Middle East may distract the statements East and West, denying them the chance to settle the outstanding questions which could give "concrete material content" to détente during the coming year.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials, but preference will be given to those fully signed and bearing the writer's complete address.

Trading

مركز من العمل

Published with The New York Times and The Washington Post
PARIS, FRIDAY, JANUARY 4, 1974

FINANCIAL NEWS AND NOTES

U.S. Auto Output Cut 27%

U.S. auto makers are targeting production of only 674,000 cars at their U.S. plants this month, off 27 percent from a year earlier and the lowest for the month since the recession four years ago. The current targets have been slashed by more than 150,000 cars, or more than 18 percent, from original schedules. All the cuts have been large cuts. Production last month totaled 517,999 cars, down 24 percent from the 1973 month. For all of 1973 the auto companies produced a record 9.7 million cars, up about 10 percent from the 8.8 million made in 1972 and up about 6.5 percent over the 1965 record of 9.3 million. They produced almost 2.6 million commercial vehicles in 1973, a record, up about 24 percent from the 2.1 million in 1972.

Philips Unit Buys ITT Lamp Plants

North American Philips Lighting Corp., owned by Philips of the Netherlands, has acquired substantially all the assets of International Telephone & Telegraph's large-lamp and incandescent lighting operations for about \$20 million in cash. The lamp plant is in Massachusetts and the other is in New Jersey.

Marcor to Write Off \$4 Million

Marcor earnings for the fiscal year ending Jan. 31 will be reduced by a writeoff of up to \$4 million with establishment of a special reserve for the liquidation of research, development and

manufacturing facilities of a small Denver subsidiary, Marcor Housing. Marcor had previously forecast earnings at about \$100 million, equivalent to \$3.15 a share, up from \$2.16 a year earlier. Diluted earnings would be \$3.40 a share, compared with \$1.77. The parent company of Montgomery Ward and Container Corp. of America says that its Denver unit has been experimenting with production-line techniques for mass housing.

Oxy Petroleum and Chairman Sued

Two class-action lawsuits have been filed in New York federal court against Occidental Petroleum, its chairman Armand Hammer, and others as a result of Securities and Exchange Commission fraud charges against the company and Mr. Hammer. The SEC civil suit, filed last week, charged the company with misrepresentations in 1971 registration statements covering a \$125-million offering of convertible debentures, and a secondary offering of common stock. The class suits also named other Occidental officials and several brokerage firms as defendants. The plaintiffs in the first suit are the purchasers of the 1971 debenture issue, while the second suit represents purchasers of Occidental debenture and common stock between Jan. 1, 1970, and Dec. 31, 1973. The suits seek unspecified damages, expenses and costs. Occidental has denied the violations charged by the SEC but entered into a consent decree whereby, without admitting any guilt, it undertook to refrain from any future violations.

White House Said Overstating Oil Shortage

By Thomas O'Toole

WASHINGTON, Jan. 3 (WP).—One of the nation's leading economic research organizations said yesterday that it felt the White House was overstating the U.S. oil shortage by as much as 1.5 million barrels a day.

The criticism came from the Conference Board, an independent economic research institute in New York, which figured that demand for oil would be less than the White House said it would and that oil supply would be more than the White House said.

Emphasizing that it still agreed with the White House that there is an oil shortage, the board pointed out that the size of such shortage was an "extremely important matter."

"If an allocation program is based on an estimate of the shortfall that is too large, plants may be forced to close unnecessarily," the board declared. "If the estimate is too small, we may run short late in the winter and be forced to make draconian cutbacks in use."

The board made two estimates of the size of the shortage this winter, one based on projections that the economy would grow

and the other on forecasts that the economy would show little if any growth.

Its estimated shortage for a "strong" economy was 2.4 million barrels a day for the first quarter and 2.6 million barrels a day for the second quarter.

These estimates are about 1.1 million barrels a day less than the forecasts of the administration, which has lowered its own

New BP Oil Find Is Encouraging

LONDON, Jan. 3 (AP-DJ).—British Petroleum announced today an oil find in the British sector of the North Sea.

BP, half owner of block 3/8, said a well there has encountered "encouraging" oil indications. The full extent and significance of the indications will not be known until further testing has been carried out, it said.

Block 3/8 is 90 miles east of the most northerly tip of the Shetland Islands.

Wide Stabilization Effort Indicated

Germans Sell Dollars to Halt Erosion of European Monies

By Clyde H. Farnsworth

PARIS, Jan. 3 (NYT).—West German banking authorities signaled today, through a \$30-million official and open sale of dollars, that they were prepared to arrest at least temporarily the depreciation of the deutsche mark against the dollar.

The action, accompanied by what were believed to be more discreet official sales of dollars through the banking network, eroded what at one point was nearly a 5 percent decline in the mark's value and also contributed to profit-taking in dollars in other European markets.

The dollar has risen against most European currencies to levels not seen since a year ago, one of the offshoots of the energy "crisis" in which money managers believe the United States will fare far better than Europe.

President Georges Pompidou of France said at a news conference today he believed the United States was "worried" by the recent advance in dollar rates. He noted that an expensive dollar would weaken U.S. exports.

Mr. Pompidou said the French franc, which for a moment today declined to a value below 20 cents, its lowest rate against the dollar since early January, 1973, was not a weak currency and that French export prices were "generally competitive."

But he observed that higher petroleum prices raised "the problem of the balance of payments" and that French currency and gold reserves were "not extremely high."

Meanwhile, Frankfurt banking sources said that the Federal Reserve Bank of New York intervened in the exchange markets last week, buying Swiss francs and marks to slow the dollar's rise.

The sources were unable to put a precise figure on the amount of U.S. activity. But they pointed out that in addition to the U.S. moves, the Bundesbank had sold around \$1 billion in completed interventions since Dec. 15 to check the advance of the dollar.

Mr. Pompidou's remarks, together with the apparent U.S. and German actions, would indicate that some international cooperative efforts may be under way to stabilize market conditions.

West German authorities had publicly stated last September that they would begin to unload dollars as the dollar rate approached 3.67 DM. The rate today at one point was allowed to hit 3.60.

The rate fell back from that high level after the Bundesbank intervened, closing at 2.764 DM.

One Dollar---

LONDON (AP-DJ).—The rate of closing for the dollar here

	Today	Prev.	Ch.
Spot (16 per \$1)	2.995	2.992	-12.29
Belg. fr. (100)	41.815	41.82	-0.005
Denmark kr.	4.185	4.185	+0.00
Danish kron.	6.4415	6.377	+0.0645
Swedish kron.	23.555	23.51	+0.045
Fr. fr. (100)	4.8225	4.78	+0.0425
Gr. dr. (100)	2.855	2.855	+0.00
Irish p.	4.30	4.30	+0.00
Italy L.	82.0	82.0	+0.00
Japan Y.	360.0	360.0	+0.00
Neth. g.	3.76	3.76	+0.00
Portugal Esc.	200.0	200.0	+0.00
Spain Ptas.	166.64	166.64	+0.00
Swiss Franc	2.31	2.305	+0.005
Yen	236.5	236.5	+0.00

* Percentage change against the dollar from central rates set by the 1971 Smithsonian agreement as calculated by Morgan Guaranty Trust Co. The figures are based on current quotations in New York.

A: Free B: Commercial N.A.: Not available

Enroco Is Worth...

Jan. 3, 1974

As calculated by the Enroco Stock Exchange, the Enroco was today worth:

DM	3.1719	Belgian Fr.	4.2363
Fr.	2.7078	Kron.	7.3294
£	0.2077	Irish L.	0.2077
Y.	272.12	Swiss Franc	1.1425
Gulden	3.2936	U.S. \$	1.1425

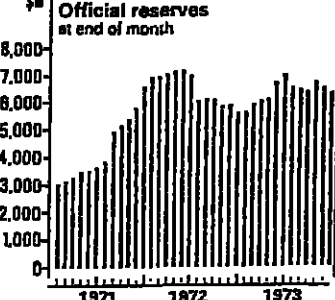
Reserves Fall \$170 Million In Britain

LONDON, Jan. 3 (AP).—Britain's reserves of foreign currency fell by \$170 million last month despite heavy overseas borrowing by state bodies, the Treasury announced today. The drop was an indication of the amount of dollars sold by the government to support the pound sterling.

The Treasury said the reserves fell during the month to reach \$64.76 billion on Dec. 31, the largest drop since July.

Public corporations, including nationalized industries, borrowed \$550 million abroad during the month. But this inflow was offset partially by payment of \$352 million in interest on long-term national debt, leaving a positive balance of \$88 million.

Since the reserves declined,



however, the government apparently was forced to spend \$208 million to slow the steady decline of the pound.

A breakdown of the debt service payments at the end of the year showed that Britain repaid \$131 million in interest and principal of a long-term U.S. credit line.

Installments for a U.S. Lend Lease credit totaled \$31 million, partial repayment of a Mutual Security Administration and Economic Cooperation Administration loan totaled \$11 million and repayment of a U.S. Export-Import Bank credit totaled \$48 million.

In addition, an installment repayment to Canada totaled \$41 million.

Since the Treasury extended an exchange rate guarantee last March to British agencies and public authorities that borrow foreign currencies, accruals to reserves from this source have totaled \$2,488 billion.

However, between the end of March and the end of December, British reserves rose only \$440 million, suggesting that the vast of sterling support operations totaled close to \$2 billion.

Foreigners Increase Investments in U.S.

WASHINGTON, Jan. 3 (AP-DJ).—In the first 10 months of 1973, foreign investors were net buyers of \$2.39 billion worth of U.S. stocks, the Treasury Department reported yesterday. This figure exceeds the entire 1973 total by \$300 million.

Foreign purchases in the 10-month period amounted to nearly \$10.4 billion, while gross sales totaled slightly more than \$8 billion.

Rate Cuts, Oil Moves Ignite NYSE

Dow Soars 25.37 In Heavy Trading

NEW YORK, Jan. 3 (NYT).—Prices on the New York Stock Exchange scored the seventh biggest daily gain ever today as the Dow Jones industrial average soared 25.37 points to 880.69.

Turnover was a heavy 24.65 million shares, up from yesterday's 12.06 million-share volume.

Brokers said the most important news sparking the advance was the step taken yesterday by the Federal Reserve Board to reduce margin requirements to 50 from 65 percent—meaning investors now need put up in cash only half the purchase price of the stocks they buy.

After opening with a 20-point gain, the Dow index slumped to less than half that at midday. But prices began climbing again as soon as Secretary of State Henry Kissinger disclosed that President Nixon is planning initiatives next week in the oil crisis.

Also helping to fuel demand for stocks was the quarter-point cut to 9 3/4 percent in the prime lending rate by Chase Manhattan Bank, signaling interest rates may resume their anticipated downward trend.

Chemicals, motors, electronics and oils all enjoyed banner performances.

Oil occupied most of the spots on the most active list. Gulf, the volume leader, gained 1 1/2 to 25. Standard of California 1 1/2 to 36 1/8. British Petroleum 7 1/2 to 12 7/8. Exxon 2 1/8 to 36 5/8. Texaco 1 3/4 to 31 1/4. and Tesoro Petroleum 3 3/8 to 55 1/4. Tesoro said it planned a 2-for-1 stock split.

Less active Murphy Oil shot up 7 1/2 to 94 although the company said it knew of no reason for the advance.

Standard of Indiana tacked on 3 5/8 at 108 5/8 and Atlantic Richfield 1 3/4 to 112 5/8. Strength in the group came after several companies jacked up prices on petroleum products.

Gold dropped, in contrast to the large increases in the past two sessions. Dome Mines fell 7 1/4 to 101 1/4. Cambell Red Lake lost 3 3/4 to 80. ASA slipped 2 1/4 to 17 1/2 and Homestake Mining fell 1 7/8 to 79 3/8. McIntyre Porcupine, however, rose 1 to 58 and International Mining gained 1/2 to 17 1/2.

Copper issues, which have recently come into demand along with some other basic commodities, were broadly higher.

Margin Cut Sets Off Talk Of Drop in Fed Bank Rate

NEW YORK, Jan. 3 (Reuters).—Leading money market analysts here believe that yesterday's cut in the stock market margin requirements to 50 from 65 percent by the Federal Reserve Board could signal a cut in the Fed's discount rate from its present 7 1/2 percent.

However, they said that the timing of such a move was uncertain.

It was felt that the decision to cut the margin requirements

was a further easing of attitude on the part of the authorities, aiding a specialized area of the economy which has been one of the hardest hit by the record-high cost of money seen over the past six months.

The sources stressed that the cut in the margin requirements was not, in itself, a commitment on the part of the Fed to allow a cut in the discount rate—the amount the Fed charges on loans to commercial banks.

The analysts said that while there had been a slight move towards an easier monetary policy by the Fed, the as yet uncertainty of the world oil situation will probably result in little change in Fed actions over the next two or three months.

One analyst said that "until the Fed can quantify the situation it is likely to tread very gingerly."

Some analysts said the psychological effects of a cut in the discount rate, even by a token quarter of a percentage point, could have the consequence of stabilizing and reviving a flagging bond market.

The corporate bond market will have to absorb some \$2 billion in new issues in January alone and speculation that the Treasury will have to raise further cash before a scheduled refinancing on Feb. 15 has been revived.

Thus, it is reasoned, a small cut in the discount rate would have little material effect on the Fed's money management operations, but would provide a sharp boost in the confidence of both investors and underwriters active in the bond market.

Two Commodity Firms End Joint Venture

By H. J. Maidenberger

NEW YORK, Jan. 3 (NYT).—A.C. Israel & Co. and Louis Dreyfus Corp., both leading commodity trading houses, yesterday dissolved their joint venture, ACLI International.

Starting today, A.C. Israel will operate its worldwide trading entity as ACLI International Commodity Services and its former partner will continue its business under its own name.

The termination of the joint venture, which began operations in August, 1971, was described as the result of "low-keyed and amiable differences in outlook

and direction" by officials of both houses.

Henry Maringer, managing director of ACLI's London office, said in an interview that "the Louis Dreyfus people wanted to concentrate on their cash grain business in which they have been so successful for the past 130-odd years."

"For our part," Mr. Maringer explained, "we want to develop our business in grain along with the many other commodities that we trade in, such as sugar, cocoa, coffee, agricultural chemicals and the metals."

He went on to note that the partnership had been profitable and that ACLI International

would take over the offices of the former joint venture here, in London and in Chicago. "These three operations will be expanded, along with our many other offices around the world," he added.

Frederick Boyden, a lawyer at Louis Dreyfus, confirmed ACLI's comments on the corporate split and indicated that the differences in interest between officials of both former partners had become apparent soon after the joint venture was begun. Louis Dreyfus was founded in France in 1842 as a grain trading house and still does a large business in Paris dealing in wheat, corn and other food stuffs internationally.

G.D. SEARLE & CO.

has acquired

WILL ROSS, INC.

Effective December 31, 1973

The undersigned acted as financial consultants to Will Ross, Inc. in this transaction.

BLUNT ELLIS & SIMMONS

INCORPORATED

January 4, 1974

We are pleased to announce that

MIDDENDORF, COLGATE & Co.

has combined with our firm and will operate as a division specializing in insurance stock trading and research.

Insurance Stock Trading Telephone (212) 363-5330

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PATINO, N.V.

Patino Mines (Quebec) Limited, a wholly-owned subsidiary of Patino, N.V., has discovered a new base metal deposit in the course of drilling of an airborne anomaly located some 16 miles to the southeast of Chibougamau, Quebec, in Lemoine Township. Exploration over a length of 800 feet and to a depth of 500 to 800 feet has indicated a potential of 800 tons per vertical foot grading 4 percent copper, 10.1 percent zinc, 0.125 oz gold and 2.4 oz silver, after providing for dilution. The downward extension of the deposit has not been delimited and other nearby anomalies require exploration. Plans are being made to sink a shaft to a depth of about 1,000 feet with the aim of developing the deposit to production. A total of 400 claims have been staked in the area to cover this and a number of other airborne anomalies.

The deposit is believed to be important because of the high mineral content and the fact that it is considered to be of volcanogenic origin, occurring in a series of rhyolite lavas and tuffs. The normal deposits of the mines of the Chibougamau region are hydrothermal replacements of fracture zones and this discovery represents the first volcanogenic deposit of an economic grade that has been found in the area.

S.P. OGREYLO

President and Chief Executive Officer,
Patino Mines (Quebec) Limited.

We are pleased to announce
the admission of the following as
General Partners

Peter B. Bartlett Hector P. Prud'homme
Elbridge T. Gerry, Jr. Laurence F. Whittemore
Resident in New York

Noah T. Herndon Alan Crawford, Jr.
Resident in Boston Resident in Philadelphia

and of

Kate Ireland

as a Limited Partner

BROWN BROTHERS HARRIMAN & Co.

New York Boston Philadelphia Chicago St. Louis

Effective January 1, 1974

1973-74		Stocks and		Sis.	
High	Low	Div. In \$	P/E	100s	High Low
100	100	100	100	100	100

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